

Frequently Asked Questions Unclaimed Property Division

We are continuing to make every effort to assist the holders in the correct procedures for completing the statutorily required report. We have compiled a list of frequently asked questions and the answers to assist you in completing the Report of Unclaimed Property.

We hope these questions and answers will prove beneficial but if you should have any further questions, please do not hesitate to contact this office.

1. WHAT IS UNCLAIMED PROPERTY?

Unclaimed property is all tangible or intangible personal property that has remained unclaimed by its owner for an extended period of time. This includes, but is not limited to, savings and checking accounts, wages or commissions, underlying shares, dividends, customer deposits, refund checks, insurance proceeds, safe deposit box contents, etc.

2. HOW DOES PROPERTY BECOME “UNCLAIMED”?

In accordance with the Code of Virginia, Uniform Disposition of Unclaimed Property Act (Chapter 11.1 §§ 55-210.1 - 55-210.30), property becomes unclaimed when the holder has not had contact with the owner of the property for a specified period of time. After the passage of the dormancy period, if there has been no activity generated by the owner, the property is then presumed abandoned.

3. CAN A HOLDER REPORT PROPERTIES WHICH HAVE NOT REACHED THE REQUIRED DORMANCY PERIOD?

A holder may report and deliver property early in accordance with §55-210.10:2.

4. WHO MUST FILE AN UNCLAIMED PROPERTY REPORT?

Any business association in possession of property is subject to Chapter 11.1 of the Code. This includes but is not limited to banking and financial organizations, insurance companies, utilities, corporations, government agencies, partnerships, limited liability companies, trusts and non-profit organizations.

5. WHEN SHOULD MY COMPANY FILE ITS REPORT IN VIRGINIA?

You should report and remit your unclaimed property no later than November 1 each year for the filing period of July 1 of the previous year through June 30 of that same year. The exception to this rule is for insurance companies. They must file their reports on May 1 each year for the filing period of January 1 through December 31 of the previous year. If, however, the insurance company's filing involves demutualization proceeds, those must be filed during the standard filing period of November 1.

6. WHAT WILL HAPPEN IF A HOLDER FAILS TO REPORT AND REMIT BY THE STATUTORY DUE DATE?

Pursuant to §55-210.26:1, the holder shall pay interest and a civil penalty up to \$1,000 for each day the report and remittance is withheld up to a maximum of the lesser of \$50,000 or 100 percent of the value of the property which should have been paid or delivered and shall be required to pay the administrator interest at the same annual rate as is applicable to delinquent taxes under §58.1-1812.

7. HOW CAN I REQUEST A FILING EXTENSION?

Extensions may be granted by the administrator upon request for a period of either 30 or 60 days. A **Request for Extension of Time to File** form must be submitted prior to November 1 (May 1 for insurance companies).

8. IF AN OWNER COMES TO THE HOLDER AFTER THE FUNDS HAVE BEEN REMITTED TO THE STATE, CAN THE HOLDER PAY HIM AND THEN REQUEST REIMBURSEMENT FROM THE STATE?

Yes, the holder must provide the Division with evidence of the payment to the owner or that the account was reactivated. Please contact the Division in writing to claim reimbursement. (See the **Holder Claim Form** in the **FORMS** section.)

9. WHY DOES VIRGINIA HAVE SUCH A LAW?

The purpose of Virginia's law is threefold:

- To protect the property rights of the absentee owner and to reunite the owner with the property;
- To provide the use of any funds that might arise from unclaimed property to the benefit of the general public rather than a chance possessor; and
- To provide the holders relief from any liability and the responsibility of record keeping.

10. WHAT ATTEMPTS ARE MADE TO FIND THE RIGHTFUL OWNERS?

The holder is required to exercise due diligence (see definition under §55-210.2) on items \$100.00 or greater at least 60 days prior to remittance. Pursuant to § 55-210.26:1B, a \$50 penalty per item will be assessed for failure to perform due diligence.

The Division is required (§ 55-210.13) to publish the owners' names in the newspaper annually. Owners who respond to the newspaper advertisement will be assisted by the Division to claim these funds. Internet searches are available at VaMoneySearch.org. Additional efforts to locate owners are made by the Investigative Section of the Division on a continuous basis.

11. WHAT DOES THE STATE DO WITH THIS MONEY?

Virginia is a custodial State. This means owners can always claim their assets. There is no time limit on claiming your money from the State. In addition, Virginia pays interest "...at the rate of five percent or such lesser rate as the property earned while in the possession of the holder..." (§ 55-210.21 (C)).

The money is held in the Literary Fund with a reserve for claims by the owners or their heirs. This fund was established by the Virginia Constitution in 1810 as a permanent and perpetual means for financing public school construction. Administered by the Department of Education, the fund provides low interest rate loans to localities.

12. IS THERE A MINIMUM REPORTABLE AMOUNT?

No. Any and all property that meets the guidelines requiring remittance to the Commonwealth as Unclaimed Property should be reported, no matter how small.